

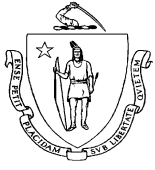
Request for Response

RFR# 15-DC-Discretionary Consulting Services

**Commonwealth of Massachusetts
IRC 401(k) Program for Not-for-Profit Employers
Discretionary Consulting Services**

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Request for Response

Office of the State Treasurer and Receiver General

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Telephone #: (617) 367-3900

Internet Address: <http://www.commbuys.com>; <http://www.mass.gov/treasury/about/procurements>

RFR File Name/Title: Commonwealth of Massachusetts IRC 401(k) Program for Not-for-Profit Employers – Discretionary Consulting Services

RFR File Number: RFR 15-DC - Discretionary Consulting Services

RFR Contact Person: Jameel Moore, E-mail Address: procurements@tre.state.ma.us

I. SUMMARY AND PURPOSE

The Treasurer and Receiver General of the Commonwealth of Massachusetts (“Treasurer”), requests responses from experienced and qualified firms interested in providing Discretionary Consulting Services to the planned Commonwealth of Massachusetts 401(k) Program for Not-for-Profit Employers (the “401(k) Program”). The Office of the Treasurer and Receiver General (“Treasury”) reserves the right, on behalf of this planned 401(k) Program, to utilize any options contemplated in this RFR. More detailed descriptions of these services sought through this RFR are set forth under Section VI.A. “SCOPE OF SERVICES”.

As background, please know that the legislation for the 401(k) Program, Chapter 60 of the Acts of 2012, (codified M.G.L. c.29, §64E), was signed into law on March 22, 2012. Pursuant to statute, the Treasurer is authorized to establish a defined contribution retirement plan for not-for-profit employers of the Commonwealth of Massachusetts incorporated under section 501(c) of the Internal Revenue Code that are established, organized or chartered under the laws of the Commonwealth and doing business in the Commonwealth and employing not more than 20 persons. *See* M.G.L. c.29, §64E. (<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIII/Chapter29/Section64E>)

Firms submitting responses are subject to the provisions in SECTION IV (“SPECIFICATIONS, REQUIREMENTS & COMPONENTS”); must meet the PHASE I requirements/criteria detailed in Section V, Subsections A & B (“MINIMUM QUALIFICATIONS” and “LEGAL AND OTHER REQUIREMENTS”) and must submit the mandatory documents as described in Section V, Subsection C (“MANDATORY ATTACHMENTS AND ENCLOSURES”). Failure to meet any of the minimum requirements found in Section V, Subsection A may result in disqualification.

II. GENERAL INFORMATION

To the maximum extent possible the Treasury follows the rules and regulations set forth in 801 Code of Massachusetts Regulations (“CMR”) 21.00: Procurement of Commodities and Services in this Request for Response (“RFR”). All terms, conditions, requirements, and procedures included in this RFR must be met for a response to be qualified as responsive. A response that fails to meet any material term, condition, requirement or procedure of this RFR may be deemed unresponsive and disqualified. The Treasury reserves the right to waive or permit cure of non-material errors or omissions. **The Treasury and the subject Procurement**

Management Team (PMT) reserve the right to modify, amend or cancel the terms of the RFR at any time. Unless otherwise specified, all communications, responses, and documentation regarding this RFR must be in English, all measurements must be provided in feet, inches, and pounds and all cost proposals or figures in U.S. Currency. All responses must be submitted in accordance with the specific terms of this RFR.

Copies of this RFR may be obtained electronically on COMMBUYS (<https://www.commbuys.com>) & on the Treasury website (<http://www.mass.gov/treasury/about/procurements/>).

Only the information on COMMBUYS should be relied on as the official source for all documentation and updates related to this procurement.

III. RFR CALENDAR, INSTRUCTIONS & EVALUATION PROCESS

A. RFR CALENDAR / TIMELINE

This section provides the anticipated timeline for the Treasury's RFR and selection process with respect to the services sought herein. All dates are subject to modification by the Treasury at any time, with notice.

- Issuance of RFR 12-17-15
- Bidder Question Deadline 12-30-15
- Post Answers to Bidder Questions 1-4-16
(Posted on: COMMBUYS (<https://www.commbuys.com>) &
(<http://www.mass.gov/treasury/about/procurements/>))
- RFR Bidder Submission Deadline 1-15-16 at 4:00 p.m. EST
- Interviews / Oral Presentations (At the option of the PMT) week of 2-1-16
(estimated schedule subject to change)
- Approximate Notification of Apparent Successful Bidder (estimated schedule subject to change) 2-18-16

NOTE: Questions concerning the RFR must be submitted to the RFR Contact Person in writing:

Jameel Moore, Procurement Analyst/Associate General Counsel
Office of the State Treasurer and Receiver General
ATTN: RFR 15-DC-Discretionary Consulting Services
One Ashburton Place, 12th Floor
Boston, Massachusetts 02108
E-mail Address: procurements@tre.state.ma.us

No other employee may be contacted, and responses from such other person shall have no effect on this solicitation.

B. RFR INSTRUCTIONS

1. **Response Submission.** The original, and five (5) USB memory sticks (or equivalent USB storage device) of the Bidder's response and attachments must be delivered to the Treasury in the same sealed package no later than **4:00 p.m. EDT on, 1-15-16.**

THE COST PROPOSAL MAY BE SUBMITTED IN THE SAME PACKAGE AS THE REST OF THE RESPONSE, BUT MUST BE SUBMITTED UNDER SEPARATE COVER IN A SEPARATE SEALED ENVELOPE LABELED "COST PROPOSAL." DO NOT INCLUDE ANY COST PROPOSALS ON THE MEMORY STICKS OR WITHIN THE ORIGINAL PROPOSAL SUBMISSION. FAILURE TO MEET THIS REQUIREMENT MAY RESULT IN DISQUALIFICATION OF THE BID.

Responses and attachments received after this deadline date and time will not be evaluated. A facsimile or email response will not qualify as a "submission" for deadline purposes in advance of or in lieu of a hard copy submission. Facsimile and email responses will not be accepted.

Responses and attachments should be delivered to:

Jameel Moore, Procurement Analyst/ Associate General Counsel
Office of the State Treasurer and Receiver General
ATTN: RFR 15-DC-Discretionary Consulting Services
One Ashburton Place, 12th Floor
Boston, Massachusetts 02108

2. **Response Format.** Failure to follow these formatting requirements may result in the disqualification of the Bidder's response. Bidders are required to use the response template which can be downloaded from COMMBUYS (<https://www.commbuys.com>). The response template contains all required elements of a valid proposal response as indicated below:
 - a. Cover Letter
 - b. Executive Summary
 - c. Statement of Minimum Qualifications
 - d. Legal and Other Requirements
 - e. Representations and Warranties
 - f. Disclosure Statement
 - g. Phase Two Questionnaire
 - h. Mandatory Attachments
 - i. **Cost Proposal**

NO COST INFORMATION SHALL BE INCLUDED ANYWHERE IN THE RESPONSE EXCEPT IN A SEPARATE SEALED ENVELOPE. (See SECTION III.B.2)

3. **Cost Proposal.** **THE COST PROPOSAL MAY BE SUBMITTED IN THE SAME PACKAGE AS THE REST OF THE RESPONSE, BUT MUST BE SUBMITTED UNDER SEPARATE COVER IN A SEPARATE SEALED ENVELOPE LABELED "Cost Proposal for RFR 15-DC-Discretionary Consulting Services."** **FAILURE TO MEET THIS REQUIREMENT MAY RESULT IN DISQUALIFICATION OF THE BID. PLEASE ALSO NOTE THAT THE COST PROPOSAL MUST HAVE AN ORIGINAL SIGNATURE BY A PERSON AUTHORIZED TO BIND THE FIRM WITH RESPECT TO THIS RFR. (See Response Template Pages 29-31 for the Cost Proposal submission format).**

4. **Response Provisions.** When responding to this RFR, Bidders should take note of the following provisions:
- a. The Treasury reserves the right to request additional information from Bidders responding to this request. Additionally, upon reviewing the responses the PMT may decide to have certain firms make oral presentations/come in for interviews. Please see Section III.C(2) for more information regarding oral presentations.
 - b. The Treasury reserves the right to reject any and all responses to this request, to waive any minor informality in a response, and to request clarification of information from any Bidder responding. The Treasury also reserves the right to amend or cancel this RFR at any time.
 - c. All responses and their contents will become the sole property of the Treasury upon its receipt of the Bidder's response and will not be returned to the Bidder.
 - d. The Treasury will not reimburse any Bidder for any costs associated with the preparation or submittal of any response to this request or for any travel and/or per diem incurred in any presentation of such responses.
 - e. The narrative response should address all items included in each section of the non-cost Proposal response (referred to as the Business & Technical Response).
 - f. The written response to Phase II – Questionnaire (Section VI.B) shall be limited to replies totaling **no more than 25 double-sided pages** (a total of 50 single-sided page equivalents). The mandatory attachments and other supporting documentation are excluded from the 25 double-sided page maximum. Any response over this limit, excluding the requested mandatory attachments and exhibits will not be considered. The aforementioned 25 double-sided pages must be single-spaced; submitted in 12-point font; with at least three-quarter inch margins left and right and one-inch margins top and bottom.
5. **Disqualification of Responses.** Reasons for disqualification of responses include, but are not limited to:
- a. **Late Proposals:** Proposals that are received after the deadline date and time will be automatically disqualified.
 - b. **Nonresponsive Proposals:** A response that fails to meet any material term, condition, requirement or procedure of this RFR may be deemed unresponsive and disqualified. The Treasury reserves the right to waive or permit cure of non-material errors or omissions. Non-responsive proposals shall include, but not be limited to those which fail to address or meet any mandatory item, and those submitted in insufficient number, or in incorrect format.
 - c. **Collusion:** Collusion by two or more Bidders agreeing to act in a manner intended to avoid or frustrate fair and open competition is prohibited and shall be grounds for rejection or disqualification of a proposal or termination of this contract. Bidders will be required to complete a "Certificate of Non-Collusion" as one of the mandatory attachments to this RFR.
 - d. **Debarred Bidders or Subcontractors:** A Bidder who is currently subject to any Commonwealth or federal debarment order or determination, shall not be considered for evaluation by the PMT. If a Bidder's proposal is dependent upon the services of a named subcontractor and the disqualification of this named subcontractor would materially alter the proposal, then that proposal shall be deemed unresponsive if the named subcontractor is found to be debarred. Proposals that indicate that subcontractors will be used but do not rely on any specifically named subcontractor shall not be deemed unresponsive if the disqualification of a proposed subcontractor will not materially alter the proposal.

C. RFR EVALUATION PROCESS

1. **Evaluation Process.** The RFR Evaluation Process will be conducted in three phases. A review team will complete the Phase I Review for all proposal submissions. The purpose of the Phase I Review is to eliminate any bids that are nonresponsive to the requirements of the RFR. Bids that are deemed to be qualified based on the Phase I Review will be submitted to the PMT for additional review (Phase II Review). The PMT will consist of staff from the Treasury. Only after the completion of Phase II will the sealed cost proposal(s) be opened and evaluated as a part of Phase III. (See SECTION III.C.2). Prior to the final recommendation, the PMT may request a “Best and Final Offer” (or “BAFO”) from some or all of the Bidders. The PMT will consider any BAFOs made in a reevaluation of Phase III. The PMT will make a recommendation to the Treasurer who will then accept or reject the recommendation.

- a. **Phase I Review:** Bidders’ responses will be reviewed based on listed criteria and completeness of response, including mandatory attachments and compliance to submission criteria; (refer to Section V of this RFR titled – Phase I Requirements). Bids that do not comply with these components may be rejected and may not proceed to Phase II Review. The Treasury reserves the right to waive or permit cure of non-material errors or omissions.

Note: Bidders are directed to ensure that every section of the Response Template is filled in per the checklist on page 2 of the Response Template, using the instructions in the Response Template and signed (in multiple places) as appropriate.

- b. **Phase II Review:** Qualified bids, based on the Phase I Review, will be considered for additional review in Phase II. The Phase II Review will also include any oral presentation/interview as may be requested by the PMT; the PMT may adjust a Bidder’s score based on any clarification of the Bidder’s response at any such oral presentation/interview. (See Section III.C.2). The Phase II Review will count for 80% of each Bidder’s score.

Scoring criteria for the evaluation of proposals will be as follows:

- 20% – Stability and General Experience of the Firm (Subsections A, B & C of the Questionnaire in the Response Template)
 - 70% – Target Date "Glide Path" Services - oversight services - / Investment policy, investment management structure, manager supervision, investment management selection services/ performance evaluation & reports / research & education and fiduciary services - under OCIO services model. (Subsections D & E of the Questionnaire in the Response Template)
 - 5% – Invest in Massachusetts. All responsive Bidders **must** submit with their bids an *Invest in Massachusetts Data Form* (“IMD Form”). See Response Template page 27 “Invest in Massachusetts – Instructions” Attachment for further information.
 - 5% – Treasury Supplier Diversity Program (TSDP). The Treasury requires all responsive Bidders to submit a *Treasury Supplier Diversity Program Plan Form* (“TSDP Plan Form”) with its response. (See Response Template page 27 “Treasury Supplier Diversity Program Instructions” attachment for further information on the TSDP Plan Form, and how this section will be scored).
- c. **Phase III Review:** Cost will be evaluated in relationship to the Phase II Review and scoring of Bidders’ response. The Phase II score will represent 80% and Cost will represent 20% of the Bidder’s score in order to determine “best value.” The successful bid will be determined based on the one that represents the “best value” overall and achieves the procurement goals.

- 20% – Cost Proposal: Cost will be evaluated based on the fee for services provided.
- 80% – Phase II Criteria. The total Phase II score will represent 80% of the Phase III score.

The Treasury reserves the right to select one or more Bidders in connection with this procurement depending on the needs of the Treasury and/or the 401(k) Program and the quality of the individual responses.

2. **Oral Presentations / Interviews.**

After completion of Phase I and Phase II but prior to Phase III, the PMT shall have the option to invite all or some Bidders to make oral presentations/come in for interviews. Oral presentations/interviews provide the PMT with an opportunity to evaluate the Bidder through the presentation of their proposal. The PMT will make the decision on whether or not to have Bidders in for oral presentations/interviews. The decision to engage in oral interviews will solely be in the purview of the PMT. Based upon scores determined during the initial Phase II evaluations of Bidders' responses to the Phase II technical questions, it will be within the full discretion of the PMT to determine the cutoff for top scoring firms to move onto the oral interviews. Only Bidders that receive an invitation to participate in oral presentations/interviews will proceed to the Phase III cost evaluation. Bidders not receiving an invitation to oral interviews will be eliminated. Bidders will not be informed of their rank at the time of the oral presentation/interview. Additionally, the PMT reserves the right to adjust any Phase II score following any Oral Presentation/Interview, and before proceeding on to Phase III.

The time allotments and the format shall be the same for all oral presentations/interviews. The PMT will give the Bidder at least three (3) business days' prior notice regarding the date of an oral presentation/interview. The PMT may waive the location and medium requirements of an oral presentation/interview upon the written request of a Bidder due to special hardships, such as a Bidder with disabilities or limited resources. In these circumstances the PMT may conduct oral presentations through an alternative written or electronic medium (*e.g.*, telephone, videoconference, TTY or Internet). The PMT may require the Bidders assign key personnel to conduct the oral presentation/interview.

A Bidder is limited to the presentation of material contained in its proposal, with the limited exception that a Bidder may address specific questions posed by the PMT or provide clarification of information contained in its proposal. Any correction or modification of the proposal or the presentation of supplemental information shall be considered prejudicial to the interests of other Bidders and fair competition and shall not be permitted. A Bidder's attempt to submit such corrections, modifications or supplemental information during an oral presentation/interview may subject the Bidder's proposal to disqualification. A Bidder's failure to agree to an oral presentation/interview may result in disqualification from further consideration. Oral presentations may be recorded by the Treasury as a matter of public record.

3. **On-Site Visits (Optional)**. The PMT reserves the right to conduct on-site inspections of any or all Bidder locations at any time prior to the awarding of this contract to verify the Bidder's ability to perform the services required. The PMT shall schedule the time of these site visits and shall provide notice of at least three (3) business days before a visit. Failure to agree to a site visit may result in disqualification of a Bidder's proposal. Only those bidders that were evaluated in Phase II and were invited for an oral presentation / interview will be the subject of an on-site inspection, in the event the PMT elects to conduct such an on-site inspection.

IV. SPECIFICATIONS, REQUIREMENTS & COMPONENTS

By submitting a Response to the RFR, the Bidder agrees to and agrees to comply with all of the RFR required specifications, components and requirements listed below in Sections IV A & B:

A. RFR REQUIRED SPECIFICATIONS

1. **Alternatives.** A response which fails to meet any material term or condition of the RFR, including the submission of required attachments, may lose points or be deemed unresponsive and disqualified. Unless otherwise specified, Bidders should submit responses proposing alternatives that provide equivalent, better or more cost-effective performance than achievable under the stated RFR specifications. These alternatives may include related services that may be available to enhance performance during the period of the contract. The response should describe how any alternative achieves substantially equivalent or better performance to that of the RFR specifications. The Treasury will determine if a proposed alternative method of performance achieves substantially equivalent or better performance. The goal of this RFR is to provide the best value of commodities and services to achieve the procurement goals of the Treasury. Bidders that propose discounts, uncharged commodities and services or other benefits in addition to the RFR specifications may receive a preference or additional points under this RFR as specified.
2. **Best Value Selection and Negotiation.** The PMT and/or the Treasurer may select the response(s) that demonstrates the “Best Value” overall.
3. **Bidder Communication.** Bidders are prohibited from communicating directly with any employees of the Treasury or any member of the PMT regarding this RFR and may be disqualified for doing so at the determination of the PMT, except as specified in this RFR, and no other individual Commonwealth employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFR. Bidders may communicate with the contact person for this RFR in the event this RFR is incomplete or the Bidder is having trouble obtaining any required attachments electronically through COMMBUYS (<https://www.commbuys.com>).

In addition, Bidders that intend to submit a bid/proposal should not discuss this RFR with members of the Deferred Compensation Plan Committee, or any employee of the Commonwealth of Massachusetts Employees Deferred Compensation Plan's current third-party administrator (Empower Retirement, formerly called Great-West Retirement Services), investment managers, consultants (Aon Hewitt Investment Consulting, Inc.), legal counsel or other advisors.

4. **Brand Name or Equal.** Unless otherwise specified in this RFR, any reference to a particular trademark, trade name, patent, design, type, specification, producer or supplier is not intended to restrict this RFR to any manufacturer or proprietor or to constitute an endorsement of any service. The Treasury will consider clearly identified offers of substantially equivalent services submitted in response to such reference.
5. **COMMBUYS Market Center.** COMMBUYS is the official source of information for this RFR and is publicly accessible at no charge at www.commbuys.com. Information contained in this document and in COMMBUYS, including file attachments, and information contained in the related Bid Questions and Answers (Q&A), are all components of the RFR, as referenced in COMMBUYS, and are incorporated into the RFR and any resulting contract.

Bidders are solely responsible for obtaining all information distributed for this RFR via COMMBUYS. RFR Q&A supports Bidder submission of written questions associated with a RFR and publication of official answers.

It is each Bidder's responsibility to check COMMBUYS for:

- Any amendments, addenda or modifications to this RFR, and
- Any RFR Q&A records related to this RFR.

The Commonwealth accepts no responsibility and will provide no accommodation to Bidders who submit a response based on an out-of-date RFR or on information received from a source other than COMMBUYS.

Bidders may not alter (manually or electronically) the RFR language or any RFR component files. Modifications to the body of the RFR, its specifications, or terms and conditions, which change the intent of this RFR are prohibited and may disqualify a response.

6. **COMMBUYS Subscription.** Bidders may elect to obtain a free COMMBUYS Seller subscription which provides value-added features, including automated email notification associated with postings and modifications to COMMBUYS records.

All Bidders submitting a response to this RFR agree that, if awarded a contract: (1) they will maintain an active seller account in COMMBUYS; (2) they will, when directed to do so by the procuring entity, activate and maintain a COMMBUYS-enabled catalog using Commonwealth Commodity Codes; (3) they will comply with all requests by the procuring entity to utilize COMMBUYS for the purposes of conducting all aspects of purchasing and invoicing with the Commonwealth, as added functionality for the COMMBUYS system is activated; (4) Bidder understands and acknowledges that all references to the Comm-PASS website or related requirements throughout this RFR, shall be superseded by comparable requirements pertaining to the COMMBUYS website; and (5) in the event the Commonwealth adopts an alternate market center system, successful Bidders will be required to utilize such system, as directed by the procuring entity. Commonwealth Commodity Codes are based on the United Nations Standard Products and Services Code (UNSPSC).

The COMMBUYS system introduces new terminology, which bidders must be familiar with in order to conduct business with the Commonwealth. To view this terminology and to learn more about the COMMBUYS system, please visit the COMMBUYS Resource Center.

7. **Conflict of Interest.** Prior to award of any contract, the Bidder/Vendor shall certify in writing to the procuring agency that no relationship exists between the Bidder/Vendor and the procuring or contracting agency that interferes with fair competition or is a conflict of interest, and no relationship exists between the Bidder/Vendor and another person or organization that constitutes a conflict of interest with respect to a state contract. No official or employee of the Commonwealth who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this project shall, prior to the completion of the project, voluntarily acquire any personal interest, either directly or indirectly, in this contract or proposed contract.

The Bidder shall provide assurance that it presently has no interest and shall not acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder. The Bidder shall also provide assurances that no person having any such known interests shall be employed during the performance of this contract.

8. **Costs.** Costs that are not specifically identified and defined in the Bidder's response, and accepted by the Treasury as part of a Contract, will not be compensated under any Contract awarded pursuant to this RFR. The Commonwealth will not be responsible for any costs or expenses incurred by Bidders responding to this RFR.
9. **Electronic Communication/Update of Bidder's/Contractor's Contact Information.** It is the responsibility of the prospective Bidder and awarded Contractor to keep current the E-mail address of the Bidder's contact person and prospective contract manager, if awarded a contract, and to monitor that E-mail inbox for communications from the PMT, including requests for clarification. The PMT and the Commonwealth assume no responsibility if a prospective Bidder's/awarded Contractor's designated E-mail address is not current, or if technical problems, including those with the prospective Bidder's/awarded Contractor's computer, network or Internet

service provider (ISP) cause E-mail communications sent to/from the prospective Bidder/awarded Contractor and the PMT to be lost or rejected by any means including E-mail or spam filtering.

10. **Environmental Response Submission Compliance.** In an effort to promote greater use of recycled and environmentally preferable products and minimize waste, all responses submitted should comply with the following guidelines:
 - All copies should be printed double sided.
 - All submittals and copies should be printed on recycled paper with a minimum post-consumer content of 30% or on tree-free paper (i.e., paper made from raw materials other than trees, such as kenaf). To document the use of such paper, a photocopy of the ream cover/wrapper should be included with the response.
 - Unless absolutely necessary, all responses and copies should minimize or eliminate use of non-recyclable or non-reusable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three ringed binders, glued materials, paper clips, and staples are acceptable.
 - Bidders should submit materials in a format which allows for easy removal and recycling of paper materials.
 - Bidders are encouraged to use other products that contain recycled content in their response documents. Such products may include, but are not limited to, folders, binders, paper clips, diskettes, envelopes, boxes, etc. Where appropriate, bidders should note which products in their responses are made with recycled materials.
 - Unnecessary samples, attachments, or documents not specifically asked for should not be submitted.
11. **Estimated Provisions.** The Treasury makes no guarantee that any commodities or services will be purchased from any contract resulting from this RFR. Any estimates and/or past or current procurement volumes referenced in this RFR are included only for the convenience of Bidders, and are not to be relied upon as any indication of future purchase levels.
12. **Minimum Bid Duration.** Bidder responses/bids made in response to this RFR must remain in effect for 200 days from the date of bid submission.
13. **Public Records.** All responses and information submitted in response to this RFR are subject to the Massachusetts Public Records Law, Massachusetts General Laws ("M.G.L."), Chapter 66, Section 10, and Chapter 4, Section 7, Subsection 26. Any statements in submitted responses that are inconsistent with these statutes will be disregarded. Bidders are advised that all proposals are deemed sealed, and therefore their contents will be treated as confidential and will not be disclosed to competing Bidders until the evaluation process has been completed, the contract has been awarded and negotiations are finalized.
14. **Reasonable Accommodation.** Bidders with disabilities or hardships that seek reasonable accommodation, which may include the receipt of RFR information in an alternative format, must communicate such requests in writing to the RFR contact person. Requests for accommodation will be addressed on a case-by-case basis. A Bidder requesting accommodation must submit a written statement which describes the Bidder's disability and the requested accommodation to the contact person for the RFR. The PMT reserves the right to reject unreasonable requests.
15. **Restriction on the Use of the Commonwealth Seal.** Bidders and contractors are not allowed to display the Commonwealth of Massachusetts Seal in their bid package or in any subsequent marketing materials if they are awarded a contract. Use of the coat of arms and the Great Seal of the Commonwealth for advertising or commercial purposes is prohibited by law.
16. **Prohibition Against Selling or Distributing Information.** Any Bidder awarded a contract under this RFR is prohibited from selling or distributing any information collected or derived from the contract and/or procurement process, including lists of participating or eligible Commonwealth of Massachusetts employee names, telephone numbers, email addresses or mailing addresses.

B. COMPONENTS OF PROCUREMENT

1. **Duration and Renewal Options.** The Treasury intends to enter into a five (5) year contract with the selected Bidder(s) for the services solicited in this RFR. The Treasury may, at its option, extend the contract for additional period(s) for a maximum contract term not exceeding ten (10) years, under the same or better terms and conditions as negotiated if deemed in the best interest of the Treasury and the 401(k) Program. Bidders who offer price guarantees for the life of the contract will be held to that offer or such better terms as are negotiated.
2. **Acquisition Method.**

<input type="checkbox"/> Outright Purchase	<input type="checkbox"/> Tax-exempt Lease Purchase
<input type="checkbox"/> License	<input type="checkbox"/> Term Lease
<input checked="" type="checkbox"/> Fee for Service	<input type="checkbox"/> Lease Purchase
	<input type="checkbox"/> Rental (not to exceed 6 months)
	<input type="checkbox"/> Other (specify)
3. **Single or Multiple Contracts.** The Treasury reserves the right to award the contract to a single vendor or multiple vendors, in the best interest of the Treasury and the 401(k) Program. The Bidder must agree to cooperate with such other Bidders, and must not commit or permit any act that may interfere with the performance of work by any other Bidder.
4. **Contract Guidelines.** (Those that apply are checked.)

<input checked="" type="checkbox"/> Only the Office of the State Treasurer and Receiver General may contract under this RFR
<input type="checkbox"/> Option to allow other Departments/political subdivisions to contract under this RFR
<input type="checkbox"/> Statewide Contract
<input type="checkbox"/> Multi-Treasury User Contract
<input type="checkbox"/> Pre-Qualification List
5. **Contract Performance and Additional Business Specifications.**
 - a. **Evaluation and Selection of Contractor.** The Treasury shall have sole authority to evaluate and make the final selection of Bidder(s) for contract negotiation(s) pursuant to this RFR. The selection will be made after evaluation of both technical and cost proposals by the PMT and final approval by the Treasurer.
 - b. **Change in Terms.** The Treasury reserves the right to modify the specifications identified in the RFR at any time prior to the closing date. The Treasury reserves the right to negotiate with the selected Bidder(s) as to any element of cost or performance, including without limitation, elements identified in the RFR and/or the selected Bidder's response in order to achieve the best value for the Commonwealth. The Treasury reserves the right to request from any Bidder a "best and final offer" as to the Bidder's proposal or cost proposal. The Treasury reserves the right to procure some, all, or none of the services specified in this RFR.
 - c. **Termination or Suspension.** Once retained, a Vendor/Contractor's services may be terminated or suspended from the Treasury's contract for various reasons, including but not limited to poor performance, failure to perform, fraud, loss of key personnel assigned to the product, deviation from the investment philosophy and process, non-compliance with investment guidelines, or other cause immediately upon written notice by the Treasury. Vendors/contractors may be terminated from the contract without cause upon thirty (30) days prior written notice by the Treasury. The Vendor/Contractor may not terminate the contract or performance thereunder except upon a minimum of 180 days written notice to the

Treasury. Other terms regarding contract termination are subject to negotiation between the selected Bidder(s) and the Treasury.

- d. **Permits and Compliance.** The Vendor/Contractor shall procure and pay for all permits, licenses and approvals necessary to perform the services solicited in this RFR. The Vendor/Contractor shall comply with all applicable laws, ordinances, rules, orders and regulations related to the performance of the services solicited. The Treasury may, at its option, request documentation evidencing the Vendor/Contractor's compliance.
- e. **Rejection of Proposals.** The Treasury reserves the right to reject any and all proposals submitted under this solicitation.
- f. **Fees Subject to Office of the State Treasurer and Receiver General Signatory Authorization.** All fees must be approved by the Treasurer or her designee and are subject to verification of performance.
- g. **Confidentiality Policy Regarding Bidder's Support Staff and/or Vendors.** The Treasury may require Bidders' support staff or outside vendors to sign a confidentiality agreement for the confidential information they will have or have access to.
- h. **Subcontracting Policies.** Prior approval of the Treasury is required for any subcontracted service of the contract. Contractors are responsible for the satisfactory performance and adequate oversight of its subcontractors. Human and social service subcontractors are also required to meet the same state and federal financial and program reporting requirements and are held to the same reimbursable cost standards as contractors.
- i. **Concurrent Contracts Running (Renewals and Transitions).** The Treasury shall cancel the contract if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year succeeding the first year or if satisfactory performance by the contractor does not ensue. The Treasury will also have the right to sole discretion in exercising an option to renew, which will not be subject to contractor acceptance or agreement. Any assistance required for this transition must be provided in a smooth and timely manner. If at any time the contract is canceled, terminated or expires, and a contract is subsequently executed with a firm other than the contractor, the contractor has the affirmative obligation to assist in the smooth transition of contract services to the subsequent contractor.
- j. **Pricing: Price Limitation:** The Bidder must agree that no other customer, whether state, public or private, of similar size and with similar terms and conditions shall receive a lower price for the same commodity and service during the contract period, unless this same lower price is immediately effective for the Commonwealth. If the Commonwealth believes that it is not receiving this lower price as required by this language, at the request of the Treasury, the Bidder must agree to provide current or historical pricing offered or negotiated with other customers at any time during the contract period.
- k. **Submission of Proposal Materials and Oral Presentation.** All materials, representations and submissions made within the proposal and at the oral presentation are subject to becoming part of the contract binding the selected Bidder to uphold the materials, representations and submissions made by the selected Bidder within the proposal and at the oral presentations.
- l. **Fiduciary Status of the Consultant; Chapter 268A.** With respect to the performance of its duties and responsibilities hereunder, if awarded the contract, the Bidder/Consultant/contractor/firm acknowledges that it is a fiduciary, and that the Bidder/Consultant/contractor/firm will discharge its duties and responsibilities under this Agreement in accordance with the fiduciary standards of conduct and other requirements as they apply to the Bidder/Consultant/contractor/firm. The Bidder/Consultant/contractor/firm is

advised of the existence of Massachusetts General Laws, Chapter 268A (the Massachusetts "Conflict of Interest" statute), and is required to act and perform its duties in accordance with such provisions.

V. PHASE I REQUIREMENTS

Compliance with all criteria listed below is **mandatory** in order for a bid to be accepted for further review. Lack of compliance with the Phase I criteria may (or, as set forth in greater detail below, will) disqualify the Bidder. Phase I of Bidder's response should demonstrate compliance with each of the conditions qualifying an institution to propose as outlined below.

A. MINIMUM QUALIFICATIONS

Bidders submitting Proposals must meet the minimum qualifications identified in the Response Template page 7 to be given further consideration in the Treasury's search for a discretionary investment consultant(s) for the 401(k) Program as further described in the Scope of Services (*See* Section VI.A). Failure of a Bidder to meet the minimum qualifications applicable to this RFR may result in immediate rejection. Using the Response Template associated with this RFR check each minimum qualification that your firm meets. If your firm meets the qualification (by checking the box), state your basis for an affirmative assertion as indicated in the template. **Please be advised that Bidders are requested to specifically describe how the Bidder meets each of these minimum qualifications. A Bidder may elaborate on its responses to this section on the "Representations and Warranties" attachment.**

B. LEGAL AND OTHER REQUIREMENTS

As required in the Response Template pages 8-9.

C. MANDATORY ATTACHMENTS AND ENCLOSURES

Phase I of the Bidder's response shall include the completed mandatory attachments listed in the Response Template pages 21-31. The Response template and the subject forms can also be found on COMMBUYS with this RFR. All mandatory attachments should be signed by an individual with the authority to bind the Firm as indicated on the Contractor Authorized Signatory Listing document included in the Response Template, and the "originals" should have an original signature in blue ink.

VI. SCOPE OF SERVICES & PHASE TWO QUESTIONNAIRE

A. SCOPE OF SERVICES**

The purpose of this Request for Response is to select one or more firms to provide discretionary consulting services for the planned Commonwealth of Massachusetts 401(k) Program for Not-for-Profit Employers (“401(k) Program”).

Developing, implementing and monitoring the investment line-up for the 401(k) Program as an outsourced CIO. The anticipated services will include but are not limited to:

1. **Custom glide path – target date fund Services:** Acting as an outsourced CIO, develop a custom glide path and manage a suite of custom target date funds for the 401(k) Program. Delegated investment services to include but are not limited to establishing the asset allocation (glide path), selecting and monitoring investment managers, implementing portfolio decisions (both strategic and tactical), developing participant communications materials, providing on-going oversight/management, governance and performing risk assessments of each target date fund portfolio.
2. **Custom “Objective Based Portfolios” Development/oversight:** Acting as an outsourced CIO, develop and manage four custom objective based portfolios consisting of: Growth Portfolio, Income Portfolio, Capital Preservation Portfolio and Inflation Protection Portfolio. Delegated investment management services to include but are not limited to establishing the asset allocation for each fund, selecting and monitoring investment managers, implementing portfolio decisions (both strategic and tactical), developing participant communications materials, providing on-going oversight/management, governance and performing risk assessments of each objective based fund portfolio. If a stable value product is preferred for the capital preservation fund, the consultant will have discretion to select the most appropriate stable value manager and product for that mandate.
 - **Growth Portfolio:** For participants with a long term savings horizon who are in the accumulation phase of their retirement savings.
 - **Income Portfolio:** For participants near or in retirement who need a steady stream of retirement income with a low level of investment risk.
 - **Capital Preservation Portfolio:** For participants who seek capital preservation of their retirement portfolio.
 - **Inflation Protection Portfolio:** Seeks to provide participants with a real “inflation adjusted” return of 5% above inflation based on the consumer price index.
3. **General Investment Policy and Procedures.** At the outset of the engagement and annually thereafter, to establish and review the Plan’s Investment Policies and Procedures and, if necessary, make reasoned recommendations for amendments thereto.
4. **Assessment of the Plan’s Investment Options.** At least annually, and otherwise upon the request of the Treasury and/or the Not-for-Profit Defined Contribution Committee, prepare and present to the Commonwealth a report evaluating the current 401(k) Program structure and investment options.
5. **Performance Analysis.** Provide quarterly performance analysis of each of the 401(k) Program’s investment options, including attribution characteristics, style analysis, risk analysis, peer universe comparison, holdings analysis relative to benchmarks and holdings analysis relative to other managers within multi-manager funds, trading efficiency, and compliance violation reports.

6. **Manager Oversight.** Provide analysis and advice on questions or issues that arise in the course of overseeing the 401(k) Program's investment options.
7. **Manager Search Selection and Termination.** Provide analysis, on the search, selection, and when necessary termination of investment managers.
8. **Due Diligence.** Conduct due diligence reviews on investment managers.
9. **Attendance at Oversight Committee Meetings.** Attend meetings of the Not-for-Profit Defined Contribution Committee in Boston, Massachusetts and present market and manager performance data. Meetings are generally held quarterly.
10. **General Research and Analysis.** Upon request of the staff, provide ongoing research, analysis, and advice on specific 401(k) Program investment issues.
11. **Fiduciary Services:** At the outset of the engagement and at least annually thereafter work with Treasury staff, on behalf of the 401(k) Program, to assess and improve policies, procedures and practices. Perform governance analysis, develop custom policies and perform fiduciary and operational reviews.

** For any Bidder awarded the contract under this RFR, the Treasury reserves the right to extend these services / contract for the services set forth in the Scope of Services above for any future/potential state-sponsored IRA program administered by the Treasury.

B. PHASE TWO QUESTIONNAIRE

See Response Template pages 13-20.

Attachment A
COST PROPOSAL

Please see Response Template pages 29-31.

Attachment B
REPRESENTATIONS AND WARRANTIES

Please see Response Template page 10.

Attachment C
COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE STATE TREASURER AND RECEIVER GENERAL
DISCLOSURE STATEMENT

Please see Response Template pages 11-12.

Appendix A

TREASURER'S PRINCIPAL BOARDS, COMMISSIONS AND AUTHORITIES*

1. Advisory Board to the Comptroller – M.G.L. c. 7A, § 2
2. State Retirement Board – M.G.L. c. 10, § 18
3. State Lottery Commission – M.G.L. c. 10, § 23
4. Board of Bank Incorporation – M.G.L. c. 26, § 5
(Division of Banks and Loan Agencies)
5. Water Pollution Abatement Trust (now known as the Clean Water Trust) – M.G.L. c. 29C, § 2
6. Pension Reserves Investment Management Board – M.G.L. c. 32, § 23(2A)
7. Massachusetts Convention Center Authority – Chapter 190 of the Acts of 1982 §§ 31-48
8. Massachusetts School Building Authority – M.G.L. c. 70B, §§ 1A & 3A; *see also* M.G.L. c. 10, § 35BB
9. Teachers' Retirement Board – M.G.L. c. 15, § 16
10. Alcoholic Beverages Control Commission – M.G.L. c. 10, § 70
11. Health Care Security Trust – M.G.L. c. 29D, § 4
12. Commissioners on Fireman's Relief – M.G.L. c. 10, § 21
13. Economic Empowerment Trust Fund – M.G.L. c. 10, §35QQ

* The above-listed Boards, Commissions or Authorities are any which are a Treasury Department, Division or Affiliated Entity or by statute have a position which may be held by the State Treasurer and Receiver General or her designee.